Blake et al. in view of Canguilhem. Claims 19-20 stand rejected under 35 U.S.C. § 103(a) over Blake et al. in view of Turnbull.

Applicant notes that the examiner's rejections of claims 1-20 under 35 U.S.C. § 103(a) are identical to those raised in the July 3, 2002 Office action, to which Applicant properly responded on January 3, 2003. The examiner asserts that in view of new grounds for rejection under 35 U.S.C. § 101, responded to herein, Applicant's response to the 35 U.S.C. § 103(a) contained in the July 3, 2002 Office Action were rendered moot. Applicant respectfully disagrees with this conclusion since it is unclear how the response could have been mooted if the rejection is currently being raised verbatim. Applicant, however, responds to each rejection below, and includes herewith supporting affidavits, discussed below.

I. § 101 REJECTION

The Examiner has rejected Claims 1-20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. In particular, the Examiner asserts that claims 1-20 fail to recite the use of any type of technology within the recited steps. Applicant has amended claims 1, and 18 to more clearly recite the technological aspects of the invention, and notes with reference to the title of application that the invention is directed to a <u>computerized</u> process for measuring the value or performance of an organization or intangible asset. The *computerized* aspects are <u>fundamental</u> to the invention. To any extent that these aspects of the invention were unclear from the claims, this has been corrected by the present amendment. Support for this amendment may found in the present specification at, e.g., pages 13-17 and Figures 6, 7, 9, 11 and 12.

It is respectfully submitted that the claimed invention is clearly well-within the technological arts as required by 35 U.S.C. § 101, and Applicant respectfully submits that the rejection thereunder must be withdrawn.

II. § 103 REJECTIONS

Claims 1-18 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Blake et al. in view of Canguilhem, and claims 19-20 stand rejected over Blake et al. in view of Canguilhem and further in view of Turnbull. These rejections are respectfully traversed in view of the distinguishing remarks below and in view of the Affidavits attached hereto which fully overcome any prima facie showing of obviousness asserted by the Examiner.

A. BLAKE ET AL. DOES NOT TEACH OR SUGGEST THE CLAIMED SCORING, SUMMING AND PLOTTING STEPS

Applicant's claimed invention is a *quantitative* system which uses actual metrics for analyzing a specific asset by collecting and summing score data and calculating and plotting a position on a chart in accordance with the scores. Independent claim 1 of the present application recites, *inter alia*, the steps of:

scoring each of said performance criteria statements to produce a plurality

of scores which reflect the applicability of said performance criteria statements to

said specific intangible asset of interest;

storing said plurality of scores obtained by said scoring step in an electronic

database;

using a computing apparatus to read and sum said stored plurality of scores

to generate first and second total scores based upon the extent to which individual

statements accurately describe said intangible asset of interest;

using a printer to transform_physical media into a chart by physically

plotting on said media a first axis relating to said first variable and a second axis

relating to said second variable;

using said printer to physically plot a point on said chart, said point

being located at coordinates corresponding to said first and second total

scores, respectively;

The Examiner asserts that Blake et al. disclose two variables, criteria statements, first and second scores, a chart with two axes each relating to one of the variables, and plotting a point on the chart corresponding to the first and second total scores. Applicant respectfully disagrees for the reasons set forth below.

4

Blake et al. merely disclose a chart which is intended to express the differences between several managerial styles. Blake et al. fail to teach or suggest the recited step of scoring performance criteria statements, fail to teach or suggest the recited step of summing a plurality of scores obtained by that scoring step, and fail to teach or suggest physically plotting a point on a chart at a location corresponding to first and second total scores. The numbers used on the two axes are not scores at all, and are certainly not sums of performance criteria statement scores. The 9,9, 9,1, 1,9, 5,5, and 1,1 values on Figure 1 of Blake et al. are used only to identify portions of the grid. These values are not used for calculating chart positions; Blake et al. could equally well have used words alone to define the five management styles.

The significance of the numbering scheme shown on Figure 1 of Blake et al. can be seen clearly from Chapter 3 thereof, a copy of which was attached to Applicant's response filed October 2, 2001. For example, in Chapter 3, Blake et al. describe the characteristics of the 9,1 Management Style in words, describing how the following issues are handled in this management approach: the concept of goals, boss-subordinate relationships, creating and maintaining morale, communication activities, approaches to managing conflict, impact on creativity and change, commitment, management development, personal behavior. There is no teaching or suggestion of performing any calculations in this respect; there are only descriptions of the behavior related to "9,1 Management." Chapters 4, 5, 6 and 7 repeat the above analysis for each of the other four grid positions. There is likewise no disclosure in those chapters of calculations to generate particular chart positions.

The numbers associated with the axes in the cited portion of Blake et al. are merely used as labels for each management style; the actual values of these numbers are superfluous to Blake's disclosure, which relates to the distinctions between different management styles. The inclusion of these axis labels does not teach or suggest the presently claimed quantitative process for producing a chart, which includes the steps of scoring performance criteria statements, summing scores, and physically plotting a point on the chart corresponding to first and second scores.

The Examiner recognizes that Blake et al. do not teach the use of the chart produced in accordance with the steps discussed above in making at least one decision regarding the value of an intangible asset of interest. While the Examiner argues that this would have been obvious to one skilled in the art in view of official notice that graphical illustrations are used to represent data in order to aid in decision-making, Applicant respectfully disagrees. As set forth above, Blake et al. disclose a chart for aiding in the understanding of different managerial styles, and do not teach or suggest the claimed steps for calculating a numerical value for a particular intangible asset of interest in order to analyze that intangible asset. Thus, it is respectfully submitted that Blake et al., even when combined with the official notice taken by the Examiner, would not suggest the claimed step of using the chart produced in accordance with the steps discussed above in making at least one decision regarding the value of an intangible asset of interest.

In view of all of the above, Blake et al. fail to teach or suggest at least the claimed steps of scoring performance criteria statements, summing scores, physically plotting a point on a chart corresponding to first and second scores, and using the chart thus produced in making at least one decision regarding the value of an intangible asset of interest. It is well-established that, in order to show obviousness, all limitations in the claim must be taught or suggested by the prior art. In Re Boyka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d 1297 (C.C.P.A. 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (C.C.P.A. 1974); In Re Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (C.C.P.A. 1973).

B. BLAKE ET AL. DO NOT TEACH OR SUGGEST INDEPENDENT VARIABLES.

Independent claim 1 of the present application recites, *inter alia*, the following:

> **...establishing a first independent variable and a second independent variable related to the value of said specific intangible asset of interest...**

As is recognized by the Examiner, Blake et al. do not teach or suggest establishing a first independent variable and a second independent variable related to a specific intangible asset of interest. In this respect, and with respect to the Examiner's use of Blake et al. in the pending § 103 rejections, Applicant specifically incorporates herein each of the arguments set forth in Applicant's Response filed October 2, 2001.

C. THE CLAIMED INVENTION IS NON-OBVIOUS IN VIEW OF CANGUILHEM COMBINED WITH BLAKE ET AL.

Canguilhem teaches measuring the value of an intangible by rating relevant factors on a numerical scale and then summing the ratings. The "summing" is done by calculating the weighted root mean square of the factors, as in:

$$\text{Value} = \sqrt{\frac{a_i \, f_i^2}{n}} = \sqrt{\frac{(a_1 f_1^2 + a_2 f_2^2 + a_3 f_3^2 + \ldots + a_n f_n^2)}{n}}$$

where f_i are the factors and a_i are coefficients that weight and dimensionalize the factors.

By contrast, the claimed invention determines the value of an intangible by, *inter alia*, scoring each of a plurality of performance criteria statements that are probative of independent variables to produce a plurality of scores which reflect the applicability of the performance criteria statements to the intangible, and then summing the scores to generate first and second total scores. The value thus obtained is not just a weighted summation of factors, as is suggested by Canguilhem, but rather reflects a sum of performance criteria scores which are distinct from (or "external to") the independent variables.

Attached hereto as Exhibit 1 is the Declaration of Dr. John C. Bowman. Dr. Bowman further explains the disclosure of the Canguilhem reference and testifies that (1) neither Canguilhem alone nor in combination with Blake would enable a person of ordinary skill in the art to practice the presently claimed invention, and (2) neither Canguilhem alone nor in combination with Blake would render the presently claimed invention obvious to a person of ordinary skill in the art.

7

Attached hereto as Exhibit 2 is the Declaration of Dr. Peter Morand. Dr. Morand testifies that (1) the combination of the teachings of Canguilhem and Blake would not enable one of ordinary skill in the art to practice the presently claimed invention, and (2) the combination of the teachings of Canguilhem and Blake would not render the presently claimed invention obvious to one of ordinary skill in the art.

Attached hereto as Exhibit 3 is the Declaration of J. Ronald McCullough. Mr. McCullough testifies that (1) the claimed invention has been commercially successful, and (2) the claimed invention has received extensive acclaim in the industry.

It is respectfully submitted that the three Declarations discussed above show secondary considerations of non-obviousness which are fully effective to overcome any showing of obviousness asserted by the Examiner with respect to the Blake and Canguilhem references. See 37 C.F.R. § 1.132, MPEP § 716.

In view of all of the above, it is submitted that the rejection of claims 1-18 under 35 U.S.C. § 103(a) over Blake in view of Canguilhem is improper and must be withdrawn.

D. TURNBULL FAILS TO TEACH OR SUGGEST CLAIMS 19-20

Dependent claims 19 and 20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over The Managerial Grid in view of Turnbull. All of the arguments set forth above and in Applicant's Response filed October 2, 2001 with respect to independent claim 1 are fully applicable to dependent claims 19 and 20, and are incorporated herein. The disclosure of Turnbull, like that of Blake et al., is qualitative in nature. Applicant agrees with the Examiner's assertion that Turnbull suggests assessment by graphic representation of current and future positions of a company. Applicant further agrees with the Examiner that the last two paragraphs of page 12 of Turnbull disclose generating future business portfolios based on project trends of certain factors in order to identify major strategic issues facing the company. However, Applicant sees no teaching or suggestion in Turnbull of the recited steps of calculating the future value by:

iterating said scoring, summing, transforming, and plotting steps

using new rating levels, determined through a code in the format x, y, z where x is a number of improvement steps which the asset is likely to achieve if its current position is at a lowest performance level, y is a number of improvement steps that the asset is likely to achieve if its current position is at a next highest performance level, and z is a number of improvement steps the asset is likely to achieve if its current position is at a next highest performance level.

Turnbull clearly fails to teach or suggest the above-recited calculating steps, particularly in the cited pages 7 and 12. In order to show obviousness, all limitations in the claim must be taught or suggested by the prior art. In re Boyka, *supra*. Turnbull describes a number of portfolio planning models that are used to describe the position of companies with respect to their business strengths and weakness, in particular those that are relevant to their competition. These models use graphic presentations to illustrate different current and future positions. The positions are established by arbitrary judgements and are not calculated. The BCG approach described by Turnbull on page 12, cited by the Examiner, uses a 10% growth rate to separate regions on the grid and then uses terms like Cash Cows to describe specific companies. One could equally have used the words "high" and "low" to separate these regions. This point is well illustrated on page 16 of Turnbull, where it is noted that:

> The portfolio analysis is done by positioning each SBA in a scatter diagram along
> two dimensions; profitability and life cycle position. Profitability is on a five-
> point scale; outstanding, high, average, low and loss. Life cycle on the horizontal
> axis is classified into four positions; emergence, growth, maturity and decline.

Turnbull's use of the word "classified" clearly indicates that the positions are judgments and not arrived by calculation. This is true for both the current positions and the desired future positions. Applicant's claimed quantitative steps, reproduced above, are not suggested.

Dependent claims 19 and 20 are, therefore, allowable over the cited art and the rejection under 35 U.S.C. § 103(a) over Blake in view of Turnbull must be withdrawn.

CONCLUSION

Having responded to all objections and rejections set forth in the outstanding Office Action, it is submitted that claims 1 thru 20 are in condition for allowance and Notice to that effect is respectfully solicited. In the event that the Examiner is of the opinion that a brief telephone or personal interview will facilitate allowance of one or more of the above claims, he is courteously requested to contact applicant's undersigned representative.

Respectfully submitted,

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1. (Currently amended)   A method of manufacturing a computer-generated chart reflecting the value of a specific intangible asset of interest, comprising the steps of:

establishing a first independent variable and a second independent variable related to the value of said specific intangible asset of interest;

establishing a series of performance criteria statements probative of the value of said first and second independent variables;

scoring each of said performance criteria statements to produce a plurality of scores which reflect the applicability of said performance criteria statements to said specific intangible asset of interest;

[summing a] storing said plurality of scores obtained by said scoring step in an electronic database;

using a computing apparatus to read and sum said stored plurality of scores to generate first and second total scores based upon the extent to which individual statements accurately describe said intangible asset of interest;

[transforming] using a printer to transform physical media into a chart by physically plotting on said media a first axis relating to said first variable and a second axis relating to said second variable;

using said printer to physically [plotting] plot a point on said chart, said point being located at coordinates corresponding to said first and second total scores, respectively; and,

using said chart in making at least one decision regarding the value of said intangible asset of interest.

11

2.   The method of claim 1, wherein said generating step comprises the steps of:

choosing, from sets of performance criteria statements in said series, individual statements which most accurately describe said intangible asset of interest;

determining, for each said set of performance criteria statements, first and second scores based at least in part on the particular statement chosen from the set, said first and second scores relating to said first and second variables, respectively;

summing a plurality of said first scores to obtain a first total score relating to said first variable; and,

summing a plurality of said second scores to obtain a second total score relating to said second variable.

3.   The method of claim 1, further comprising the steps of:

assigning to each said performance criteria statement first and second weighting factors reflecting an extent of impact of said statement on said value of said first and second variables, respectively;

using said weighting factors in determining said first and second total scores.

4.   The method of claim 1, further comprising the step of:

placing a label in each of four quadrants of said chart, or in such other zones in which said chart may be divided, each label representing the extent to which points in a quadrant reflect a balance between said first and second variables.

5. (Cancelled) The method according to claim 1, wherein said first and second variables comprise two independent variables.

6.   The method according to claim 1, wherein said intangible asset of interest comprises a technological asset and wherein said first variable comprises commercial

12

strength.

7.   The method according to claim 1, wherein said intangible asset of interest comprises a technological asset and wherein said second variable comprises technical strength.

8.   The method according to claim 1, wherein said intangible asset of interest comprises a technological asset and wherein said first variable comprises commercial strength and said second variable comprises technical strength.

9.   The method according to claim 1, wherein said intangible asset of interest comprises a research and development organization and wherein said first variable comprises short-term performance.

10.   The method according to claim 1, wherein said intangible asset of interest comprises a research and development organization and wherein said second variable comprises long-term performance.

11.   The method according to claim 1, wherein said intangible asset of interest comprises a research and development organization and wherein said first variable comprises short-term performance and said second variable comprises long-term performance.

12.   The method according to claim 1, wherein said intangible asset of interest comprises a university and wherein said first variable comprises research excellence.

13.   The method according to claim 1, wherein said intangible asset of interest comprises a university and wherein said second variable comprises teaching excellence.

14. The method according to claim 1, wherein said intangible asset of interest comprises a university and wherein said first variable comprises research excellence and said second variable comprises teaching excellence.

15. The method according to claim 1, wherein said intangible asset of interest comprises a private-sector company and wherein said first variable comprises the strength of today's business.

16. The method according to claim 1, wherein said intangible asset of interest comprises a private-sector company and wherein said second variable comprises tomorrow's business.

17. The method according to claim 1, wherein said intangible asset of interest comprises a private-sector company and wherein said first variable comprises the strength of today's business and said second variable comprises the strength of tomorrow's business.

18. (Currently amended)   A computer-generated chart for providing a graphical indication of the value of an intangible asset of interest, wherein said chart is created according to the method of claim 1.

19. The method according to claim 1, further comprising the steps of:

calculating the future value of an intangible asset by iterating said scoring, summing, transforming, and plotting steps using new rating levels, determined through a code in the format x, y, z where x is a number of improvement steps which the asset is likely to achieve if its current position is at a lowest performance level, y is a number of improvement steps that the asset is likely to achieve if its current position is at a next

highest performance level, and z is a number of improvement steps the asset is likely to achieve if its current position is at a next highest performance level.

20.   The method according to claim 1, further comprising the steps of:

repeating said steps of establishing, scoring, summing, transforming, and plotting for a plurality of intangible assets of interest, whereby said chart is caused to show a plurality of points corresponding to said plurality of intangible assets of interest.

21. (Cancelled)   The method of manufacturing a chart in accordance with claim 1, further comprising the step of:

establishing a third independent variable related to the value of said specific intangible asset of interest; and,

plotting on said media a third axis relating to said third independent variable.

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In re application of: Clement W. Bowman
Serial No.: 09/240,053
Filed: January 29, 1999

Mail Stop Non-Fee Amendment
Commission for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Transmitted herewith is a Reply and Amendment and Exhibits 1-3 for the above-identified application.

☒ Applicant claims the benefit of Small Entity Status.

☒ No additional fee is required.

The fee has been calculated as shown below.

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☐ The amount of $ _____ is included in the attached check.

☐ Please charge my Deposit Account No. 50-0653 in the amount of $_____. Two copies of this sheet are attached for this purpose.

Applicant(s) request(s) that the time for taking action in this case be extended pursuant to 37 C.F.R. §1.136(a).

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☒ If the box for the sentence immediately above is marked but no check is attached, then charge the statutory fee recited in such sentence for an extension of time of the number of months recited in such sentence to Deposit Account No. 50-0653. Two copies of this sheet are attached for this purpose.

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☒ The Commissioner is hereby authorized to charge any deficiencies in payment of the following fees associated with this communication or credit any overpayment to Deposit Account No. 50-0653:

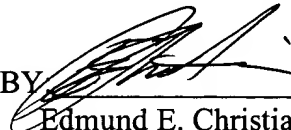☒ Any filing fees under 37 C.F.R. §1.16 for the presentation of extra claims.

☒ Any patent application processing fees under 37 C.F.R. §1.17.

Respectfully submitted,

GREENBERG TRAURIG, LLP

DATE: **June 30, 2003**   BY _____
                                              Edmund E. Christian

2